MYSORE LEGISLATIVE ASSEMBLY

TWELFTH DAY

Monday, 17th November 1958.

The House met in the Assembly Hall, Vidhana Soudha, Bangalore, at One of the Clock.

MR. SPEAKER (SRI S. R. KANTHI, B.A., LL.B.) in the Chair.

QUESTIONS AND ANSWERS

Question No. 3592.

Deficit of Money traced by Auditor in the Virajpet Town Co-operative Society.

[For previous supplementaries please see pages 55 to 59—No. 2 of this volume.]

SRI J. B. MALLARADHYA (Nanjangud).—May I know whether there was an order from the Departmental Head in regard to surcharge on the Directors concerned?

SRI MALI MARIAPPA (Minister for Co-operation).—There has been an order by the Registrar.

SRI J. B. MALLARADHYA.—May I know whether it is in respect of surcharge on the Directors who are responsible for the deficit of Rs. 1,72,350-14 nP?

SRI MALI MARIAPPA.—The Registrar has asked the officer in charge to take surcharge proceedings. I have already submitted that the surcharge proceedings could not be taken up because some papers were with the police.

SRI J. B. MALLARADHYA.—Did police investigation precede the departmental investigation in this case?

SRI MALI MARIAPPA—I think the Auditor inspected the entire accounts of the Society and at that time also the police were taking steps for investigation.

SRI J. B. MALLARADHYA.—Hon'ble the Minister has stated that a sum of Rs. 9,636 has been recovered. May I know whether this is as a result of the action taken by the Registrar or as a result of the surcharge order?

SRI MALI MARIAPPA.—It is not exactly in pursuance of surcharge order. It is collected by the Administrator.

SRI J. B. MALLARADHYA.—May I know from whom and on what basis this amount was collected?

SRI MALI MARIAPPA.—It has been collected according to the notes prepared with the help of the available papers. There were some papers left in the house of the ex-Manager also and in pursuance of those papers the amounts have been collected.

SRI J. B. MALLARADHYA.—May I presume that the parties who paid the amount have admitted their case?

SRI MALI MARIAPPA.—I think the amounts have been collected in specific instances. For example, a party who has overdrawn the amount. In such circumstances the Administrator has proceeded against them and collected the amount.

SRI J. B. MALLARADHYA.—The Hon'ble Minister was pleased to say 'I think'. I want definite information. If it is a matter of opinion I am not interested. I want definite facts. May I know from how many people the sum of Rs. 9,636 has been recovered?

SRI MALI MARIAPPA.—I think it is a list containing 35 names.

SRI J. B. MALLARADHYA.—Has all the amount been recovered from all those people?

SRI MALI MARIAPPA.—The amount according to the Administrator is about Rs. 54,506-17 nP. out of which Rs. 9,636 have been recovered.

Sri J. B MALLARADHYA.—In answer to (e) it is stated "yes, so far Rs. 9,626 has been recovered." May I presume that they have admitted their responsibility to make good the entire liability ?

Sri MALI MARIAPPA.—Here, two questions have been clubbed together. The amount that has been collected is different from that of the Directors making good the cash. The amount that has been collected, namely, Rs. 9,636 is not collected by the Directors because that body was dissolved after the appointment of the Administrator. It is the Administrator that has collected the amount.

Sri M. R. PATIL.—May I know whether any other misappropriation has been reported by the auditor ?

Sri MALI MARIAPPA.—I think without bank balances some cheques have been encashed.

Sri M. R. PATIL.—May I know from what period the misappropriation has taken place— whether it was during a period of years together or in one year only ?

Sri MALI MARIAPPA.—No, it is due from the year 1955 onwards but the major portion of misappropriations seems to be within a period of six to eight months.

Sri G. N. PUTTANNA.—Did the police chargesheet the concerned bank ?

Sri MALI MARIAPPA.— I have already answered that. They are in the final stages. Very shortly they will collect the amount.

Sri G. N. PUTTANNA.—May I know when the matter was referred to the police ?

Sri MALI MARIAPPA.—It was referred in the month of July 1957.

Sri G. N PUTTANNA.—What is the duration given to the police to investigate this case ? Is one year's time necessary ?

Sri MALI MARIAPPA.—In this case there were several circumstances. Some relevant papers were missing and the auditor's report had to be awaited. We had also to take legal opinion in the matter.

Sri M. RAMAPPA.—May I know from whom this amount has been recovered ?

(No answer)

Sri M. RAMAPPA.—Is it a fact that confidential circulars were sent to the effect that investigation must not be proceeded with vigorously ?

Sri MALI MARIAPPA.—No.

Sri G. N. PUTTANNA.—Was not the system of departmental audit in existence in the Coorg State ?

Sri MALI MARIAPPA.—There was department audit.

Sri M. R. PATIL.—May I know why this misappropriation was not detected earlier ?

Sri MALI MARIAPPA.—The main reasons that are now advanced are that the ex-Manager is dead and that some important papers are missing. The auditor says that some confirmation letters from banks and the pass books with the Cannanore Bank are missing. They state that bogus books and confirmation letters must have been placed at the time of departmental audit.

Sri J. B. MALLARADHYA.— Was there not the system of internal audit in that department ?

Sri MALI MARIAPPA.—For two years departmental audit has been conducted.

Sri J. B. MALLARADHYA.— Was there not any internal audit amounting departmental audit conducted ?

Sri MALI MARIAPPA.—There was not that kind of internal audit.

Sri J. B. MALLARADHYA.—Why was exemption given in this case ?

Sri MALI MARIAPPA.—I may just submit that at that time in the Coorg State the administration was according to the Co-operative Societies Act which is rather difficult to explain at this stage.

Sri G. N. PUTTANNA.—What is the reason for the delay in chargesheeting ?

Sri MALI MARIAPPA.—I have already submitted that it is due to various reasons.

Sri G. N. PUTTANNA.—What are those reasons ?

Sri MALI MARIAPPA.—I have already given.

Sri J. B. MALLARADHYA.—Does the Audit Report show the names of two

or three Directors who have withdrawn amounts unauthorisedly ?

Sri MALI MARIAPPA.—That is a matter on which opinion can be expressed only if all the records now with the police are available. As things stand now, it is possible to deduce like that.

Sri J. B. MALLARADHYA.—The answer to (*f* is a categorical 'No'. So, I want to know whether the Audit Report reveals that there are 2 or 3 Directors who have unauthorisedly withdrawn specific amounts noted in the Audit Report.

Sri MALI MARIAPPA.—There is also another point in the very same question regarding misappropriation and since those two points are clubbed together that answer has been given. But I may say that there has been unauthorised withdrawal; but so far as misappropriation is concerned, that is not correct.

Sri J. B. MALLARADHYA.— So, to that extent does the answer to (*f*, stand modified ?

Sri MALI MARIAPPA.—The answer stands modified subject to the condition that after all the papers are received from the police it will be possible to conclude definitely.

Sri M. RAMAPPA.—Who has got Rs. 9,636 ?

Sri MALI MARIAPPA.—It is a List of 31 members. I am prepared to place it on the Table of the House.

Completion of the Agricultural College Building at Hebbal.

Q.—2832. Sri A. M. BASAVE GOWDA (Chickmagalur).—

Will the Government be pleased to state :—

(*a*) when the foundation stone was laid for the construction of a building for the Agricultural College at Hebbal and the time required for its completion;

(*b*) whether they are aware of the difficulties experienced by the students for accommodation;

(*c*) if so, the steps they intend to take to complete the work early ?

A—Sri K. F. PATIL (Minister for Agriculture).—

(*a*) The foundation stone for the College was laid on 25th January 1956. The hostel buildings are expected to be completed by the end of 1958 59 and the main College building by the end of 1959-60.

(*b*) Yes.

(*c*) The execution of the work is carried out under the direct control of the Public Works Department Tenders for the work had been called for well in time and the lowest tender was approved by the Government. The progress of the work was slow for some time on account of scarcity of cement, re-designing the building with provision for the second floor and due to the contractors who did not rise to the occasion. Now all difficulties have been solved and the contractors are instructed to put forth all their energy to complete the work in time.

A special Sub-Division is formed for the work from January 1957 with one Assistant Engineer, two supervisors, three clerks, two peons and a watchman with a view to complete the work as early as possible. All efforts have been made to push through the work.

(*No supplementaries.*)

Strength of Employees in the Silk Filature Factories.

Q.—3188. Sri T. P. BORIAH (Kollegal).—

Will the Government be pleased to state :—

(*a*) the number of labourers, supervisors and administrative staff working when the Government purchased the silk filature factories and the number working at present;

(*b*) the principles adopted in employing labourers;

(*c*) whether there are any advisory committees relating to management of these factories ?

A.—Sri B. D. JATTI (Chief Minister).—

(*a*) 1. Labourers 893
2. Executive staff – 62
3. Administrative staff—31